THE HYDERABAD WAREHOUSES REGULATION, 1358 Fasli.

No. XLVI OF 1358 F.

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*THE HYDERABAD WAREHOUSES REGULATION, 1358 FASLI.

No. XLVI OF 1358 FASLI.

(Received the assent of H. E. H. the Nizam on 17th Shaban, 1368 H.—15th Amardad, 1358 Fasli.)

Whereas it is expedient to encourage the establishment of private warehouses and make provision for their proper supervision and control; It is hereby enacted as follows:—

CHAPTER I.

PRELIMINARY.

Short title, extent and commencement.

1. (1) This Regulation may be called the Hyderabad Warehouses Regulation, 1358 Fasli.

(2) It extends to the whole of the Hyderabad State.

**[(3) It shall come into force on such date in such local area in the state of Hyderabad as the Government may by notification in the Official Gazette appoint in this behalf and different dates may be appointed for different local areas].

Definitions.

2. In this Regulation unless there is anything repugnant in the subject or context,

(*a*) "Co-operative Society" means a society registered or deemed to be registered under the provisions of the Hyderabad Co-operative Credit Societies Act, 1323 F.;

(*b*) "Depositor" means a person or firm which tenders goods to the warehouseman for storing in his warehouse and includes any person who lawfully holds the receipt issued by the warehouseman in respect of the goods and derives title to it by endorsement or transfer from the depositor or his lawful transferee.

**[(*c*) "Goods" means agricultural produce and cotton as defined in the Hyderabad Agricultural Market Act, 1339, Fasli but does not include the produce of animal husbandry];

(*d*) "Licence" means a licence granted under Section 5 or renewed under Section 7;

(*e*) "Prescribed" means prescribed by rules made under this Regulation;

(*f*) "Prescribed Authority" means the authority empowered by Government to carry out the duties under this Regulation;

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* Published in Jarida No. 39, dated 27th Amardad, 1358 Fasli.

** Amended by Act. No. IX of 1955. published in Gazette Extraordinary No. 119, dated 26th Sept., 1955.

(*g*) "Receipt" means a warehouse receipt, in the form prescribed, issued by a warehouseman to a depositor depositing goods in a warehouse;

(*h*) "Warehouse" means a building, structure or other protected enclosure which is used or may be used for the purpose of storing goods;

(*i*) "Warehouseman" means a person or firm holding a licence for issuing under Section 27 receipts for goods stored in his warehouse.

CHAPTER II.

Licencing of Warehouses.

Prohibition of carrying on business as warehouseman without licence.

3. Subject to the provisions of Section 11, no person or firm shall without a licence carry on the business of a warehouseman or represent or hold himself out as a warehouseman.

Application.

4. Every person or firm desirous of carrying on the business of warehouseman shall take out a licence by making an application to the prescribed authority.

Grant of a licence.

5. The prescribed authority may, on payment of the prescribed fee, grant a licence to such person or firm for the conduct of his business in accordance with the terms of the licence and the provisons of this Regulation and the Rules made there under.

Conditions for grant of licence.

6. Before granting a licence the prescribed authority shall satisfy itself.—

(*i*) that the warehouse is suitable for the proper storage of the particular goods for which a licence has been applied for,

(*ii*) that the applicant is competent to conduct such a warehouse.

(*iii*) that the applicant furnishes to the prescribed authority such security and in such manner as many be prescribed.

(*iv*) that there is no other reason for which the applicant may, in the opinion of the prescribed authority, be deemed to be disqualified, and

(*v*) that the applicant fulfils any other condition which the Government may, by notification in the Jarida, specify in this behalf.

Term and renewal of licence.

7. Every licence shall be valid for the prescribed period and may on the expiry of such period be renewed by the prescribed authority on an application made by the warehouseman in that behalf and on payment of the prescribed fee.

Licences when to be revoked.

8. Every licence shall be liable to be revoked by the prescribed authority for the reasons to be stated in writing in the order of revocation and in particular if the warehouseman—

(*a*) has been adjudged an insolvent;

(*b*) has parted in whole or in part with his control over the licensed warehouse;

(*c*) has ceased to conduct such licensed warehouse;

(*d*) has made exorbitant or unreasonable charges for services rendered by him;

(*e*) has in any manner become incompetent to conduct the business of a warehouseman; or

(*f*) has contravened any of the terms of the licence or any of the provisions of this Regulation and the rules made thereunder or any other condition which the Government may by notification in the Jarida, specify.

Notice to be given before revocation of licence and suspension of licence.

9. (1) Before revoking a licence the prescribed authority shall give notice to the warehouseman specifying the charges against him and calling upon him to show cause why the licence should not be revoked.

(2) After considering the explanation, if any, offered by the warehouseman, the prescribed authority may revoke the licence or pass such orders as it deems just.

(3) The prescribed authority may suspend the licence of a warehouseman pending the decision of the enquiry referred to in sub-sections (1) and (2).

Appeals and revision.

10. (1) An appeal shall lie to the Taluqdar against an order of revocation of a licence within sixty days from the date of such order.

(2) On receipt of an appeal under sub-section (1), the Taluqdar shall, after giving the warehouseman and the prescribed authority an opportunity of being heard, pass such order thereon as he thinks fit.

(3) The Government may at any time call for or examine the record of any proceedings before the prescribed authority or the Taluqdar relating to suspension or revocation of a licence for the purpose of satisfying itself as to the correctness, legality or propriety of any order passed therein, and as to the regularity of such proceedings and may either annul, reverse, modify or confirm such order or pass such other order as it may deem fit.

(4) Every order passed by the prescribed authority under section 9, subject to an appeal or revision as provided in this section and every order passed by the Taluqdar in appeal, subject to such revision, and every order passed by the Government in revision, shall be final and shall not be liable to be questioned in any court of law.

Return of licence.

11. When a licence expires or is suspended or revoked the warehouseman shall cease to carry on the business of a warehouseman and shall return the licence to the prescribed authority:

Provided that the prescribed authority shall after such expiration, suspension or revocation give such reasonable time as it thinks fit to such warehouseman to enable him to wind up the business and notwithstanding anything contained in section 3, the warehouseman may carry on the business of a warehouseman during the said time.

Duplicate licences.

12. Where a licence granted to a warehouseman is lost or destroyed, the prescribed authority may issue a duplicate thereof on an application made in that behalf by the warehouseman and on payment of the prescribed fee.

CHAPTER III.

Duties of a Warehouseman.

Reasonable care of goods stored.

13. Every warehouseman shall take such care of the goods in his custody as a man of ordinary prudence would take of his own goods under similar circumstances and conditions.

Precautions against damage or injury to goods.

14. (1) Every warehouseman shall keep his warehouse in such condition as may be prescribed and in accordance with the terms of the licence in order to prevent loss, or damage or injury to the goods stored in the warehouse.

(2) No warehouseman shall accept for storing in his warehouse goods which are contaminated or infected by worms and pests, and which are likely to cause damage to other goods stored in the warehouse.

Preservation of identity of goods.

15. Every warehouseman shall keep in his warehouse the goods of one depositor so far separate from the goods of other depositor and from other goods of the same depositor for which a separate receipt has been issued as to permit at all times the identification and delivery of the goods deposited:

Provided that where standardised and graded goods are stored in a warehouse, subject to any agreement between the warehouseman and depositor, the same variety of goods belonging to different depositors may be mingled together by the warehouseman and each depositor will be entitled only to his portion of the goods according to weight or quantity as, the case may be, as shown in his receipt.

Goods deteriorating in warehouses and their disposal.

16. (1) Whenever goods stored in a warehouse deteriorate or are about to deteriorate from causes beyond the control of the warehouseman, he shall forthwith give notice of such deterioration to the depositor asking him to take delivery of the goods immediately on surrendering the receipt duly discharged and on payment to the warehouseman of all dues. If the depositor does not comply with the notice within a reasonable time, the

warehouseman may cause such goods to be removed form his warehouse and sold by public auction at the cost and risk of the depositor.

(2) Any person interested in any goods or the receipt covering such goods stored in a warehouse, may in writing, notify the warehouseman of the fact and nature of his interest in the goods and the warehouseman shall keep a record thereof. If the person requests in writing that he be notified regarding the condition of the goods and agrees to pay the charges for such notification, the warehouseman shall notify such person accordingly.

Delivery of goods.

17. Every warehouseman in the absence of any reasonable or lawful excuse shall, without unnecessary delay, deliver the goods stored in his warehouse to the depositor on demand made by him and on surrender of the warehouse receipt duly discharged and on payment of the charges due to the warehouseman. Subject to any agreement between the warehouseman and the depositor, the depositor may take partial delivery of the goods stored in the warehouse.

Accounts, books, etc., to be maintained and kept in safe place by warehouseman.

18. Every warehouseman shall keep and maintain in a place of safety such books, account and records as may be prescribed.

Insurance of goods in warehouses.

19. (1) Every warehouseman shall insure in such manner as may be prescribed the goods stored in his warehouse against loss or damage by fire, floods, theft or any other accident.

(2) Every warehouseman shall be entitled to recover from the depositor at the rate prescribed the charges for insurance in respect of the depositor's goods before delivery thereof and shall have a lien on the said goods in respect of such charges.

Discrimination prohibited.

20. Every warehouseman shall receive for storage therein so far as its capacity permits any goods of the kind customarily stored by him therein, which may be tendered to him in a suitable condition for storing in the usual manner in the ordinary and usual course of business without making any discrimination between persons desiring to avail themselves of the facilities of his warehouse:

Provided that a warehouseman may grant such concessions to a Co-operative society as may be prescribed.

Warehouseman other than co-operative society not to lend money against goods in werehouse.

21. Notwithstanding any thing contained in any law, no warehouseman other than a co-operative society shall, either on his own account or that of others, deal in or lend money on goods which he receives for storage in his warehouse.

CHAPTER IV.

Inspection and Classification of Goods.

22. The prescribed authority may inspect or cause to be inspected, examine, or cause to be examined, the warehouse of

a warehouseman, its machinery, equipment, goods stored therein and the account books and records at any time during business hours for the purpose of satisfying itself that the requirements of this Regulation and the rules made thereunder are complied with.

Licenced weighers, samplers and classifiers.

23. (1) The prescribed authority may issue licences to qualified and competent persons entitling them to act as weighers, samplers and classifiers of any goods stored or to be stored in a warehouse and to issue certificates as to weight, quality or grade of the goods which they have examined.

(2) The certificates issued by weighers, samplers and classifiers as to weight, quality or grade of the goods stored in the warehouse shall, subject to any order in appeal preferred by either of them to the Board of Arbitrators, be binding on the warehouseman and depositor.

(3) The prescribed authority may appoint a board of arbitrators to decide complaints against weighers, samplers and classifiers or warehouseman relating to weight, quality or grade of the goods stored in the warehouse. The decision of the Board of Arbitrators shall be final and shall not be liable to be questioned in a court of law.

Suspension or revocation of licences.

24. Subject to rules made in this behalf every licence granted to a weigher, sampler or classifier shall be liable to be suspended or revoked by the prescribed authority.

Return of licences.

25. Whenever a licence granted to a weigher, sampler or classifier expires or is suspended or revoked, he shall return it to the prescribed authority.

Prohibition of unlicensed weighers, classifiers, etc.

26. No person who is not licensed under this chapter, shall represent or hold himself out as a licensed weigher, sampler or classifier.

CHAPTER V.

Warehouse Receipts.

Issue of receipts.

27. Every warehouseman shall issue receipt in the prescribed form containing full particulars in respect of the goods stored in his warehouse by each depositor.

Receipts transferable by endorsement.

28. A receipt issued by a warehouseman shall, unless otherwise specified on the receipt, be transferable by endorsement and shall entitle its lawful holder to receive the goods specified in it on the same terms and conditions on which the person who originally deposited the goods would have been entitled to receive them.

Duplicate receipts.

29. In case a receipt is lost or destroyed, a warehouseman shall issue a duplicate thereof to the depositor on an application made by him in that behalf. The duplicate receipts shall be issued under such condition as may be prescribed.

CHAPTER VI.

MISCELLANEOUS.

Security amount to be forfeited and recovered as arrear of land revenue.

30. (1) If a warehouseman contravenes any of the conditions of his licence or fails to comply with or acts in contravention of any provisions of this Regulation—

(*a*) the amount of security deposited by him under a bond executed by him under the provisions of this Regulation shall be liable to be forfeited ; and

(*b*) the amount due under such bond shall be recoverable from him or from his sureties or their heirs or legal representatives as an arrear of land revenue.

(2) The Government may make payment out of the amount so forfeited or recovered to any person who may have sustained loss by reason of the warehouseman failing to comply with, or acting in contravention of , any provision of this Regulation.

Penalty.

31. (1) Whoever fails to comply with, or acts in contravention of, any provision of this Regulation shall, on conviction be punishable—

(*a*) in the case of contravention of the provisions of section 3 or section 21, with simple imprisonment which may extend to six months and fine which may extend to Rs. 1,000 ; and

(*b*) in any other case, with fine which may extend to Rs. 1,000.

(2) Where a person committing an offence under subsection (1) is a company, or other body corporate, or an association of persons (whether incorporated or not) every director, manager, secretary, agent or other officer or person concerned with the management thereof shall, unless he proves that the offence was committed without his knowledge or consent, be deemed to be guilty of such offence.

No compensation on suspension or cancellation of licence.

32. Where any licence is suspended or cancelled under this Regulation no person shall be entitled to any compensation or the refund of any fee paid in respect thereof.

Power to Government to delegate its powers.

33. The Government may delegate to any officer or authority subordinate to it any of the powers conferred on it by or under this Regulation.

Power to make rules.

34. (1) The Government may subject to the condition of previous publication, make rules for carrying out the purposes of this Regulation.

(2) In particular and without prejudice to the generality of the foregoing provision, such rules may provide for all or any of the following matters, namely :—

(*a*) the authority empowered to carry out the duties under this Regulation ;

(*b*) the form receipt under clause (*g*) of section 2;

(*c*) the form of application for taking out a licence under section 4 for its renewal under section 7 and for the issue of a duplicate licence under section 12;

(*d*) the fee for grant of a licence and the terms of the licence in accordance with which the business of a warehouseman shall be conducted under section 5 and the period for which the licence shall be valid under section 7;

(*e*) the amount of security and the manner of furnishing the same (including the form of bond) under clause (*iii*) of section 6;

(*f*) the fee for the renewal of a licence under section 7 and for the issue of a duplicate under section 12;

(*g*) the conditions on or under which a licence may be renewed and a duplicate thereof issued;

(*h*) the condition in which a warehouse shall be kept under sub-section (1) of section 14;

(*i*) the books, accounts and records to be kept and maintained under section 18;

(*j*) the manner in which goods shall be insured under sub-section (1) of section 19;

(*k*) the rates at which the charges for insurance shall be recoverable under sub-section (2) of section 19;

(*l*) the concessions which may be granted to a co-operative society under section 20;

(*m*) the qualifications of, and grant of licences to weighers, samplers and classifiers, the conditions on which and the period for which the licences may be granted to them, the form of certificates to be issued by them, the renewal of their licences, the conditions on which duplicate licences may be issued, and the condition under which the licences may be suspended or revoked for the purposes of sections 23 and 24;

(*n*) the conditions under which a duplicate receipt may be issued under Section 29;

(*o*) the publication of the grant, suspension and revocation of licences and the list of warehousemen and their warehouses;

(*p*) the charges to be made by a warehouseman for storing goods in his warehouse;

(*q*) the manner of giving notices under this Regulation;

(*r*) the manner of conducting a pulic auction for the sale of goods deteriorating or about to deteriorate in a warehouse and accounting for the proceeds of such sales by a warehouseman;

(*s*) the classification of goods stored by a warehouseman ;

(*t*) the standard weights and measures to be used by a warehouseman ;

(*u*) the procedure to be followed in proceedings before the Board of Arbitrators and the mode of executing their awards ;

(*v*) generally for the efficient conduct of the business of a warehouseman.